GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2665
ANSWERED ON:15.12.2015
Sugarcane Subsidy
Ahlawat Smt. Santosh;Chaudhary Shri C.R.;Chinnaraj Shri Gopalakrishnan;Jayadevan Shri C. N.;Karadi Shri Sanganna Amarappa;Raut Shri Vinayak Bhaurao;Saraswati Shri Sumedhanand;Shewale Shri Rahul Ramesh;Shinde Dr. Shrikant Eknath;Udhayakumar Shri M.;Yadav Shri Om Prakash

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government has recently decided to provide subsidy directly to the sugarcane farmers, if so, the details thereof and the benefits likely to accrue to the sugarcane farmers therefrom;
(b) whether the said move is likely to lead to an increase in export of sugar, if so, the details thereof;
(c) whether the Government has assessed its impact on the sugar prices in the domestic market, if so, the details and the outcome thereof;
(d) the corrective steps proposed to ensure adequate availability and control prices of sugar in the domestic market; and
(e) whether sugar export subsidy was given to millers in the previous two seasons to help them clear sugarcane dues to the farmers, if so, the details thereof and the extent to which the sugarcane dues were cleared by this subsidy?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)
(a) The Central government has notified a scheme on 2.12.2015 to extend production subsidy @ Rs. 4.50 per quintal to sugar mills to offset the cost of cane and facilitate timely payment of cane price dues of farmers for sugar season 2015-16. Funds released under the scheme shall be directly credited into farmers' accounts. The scheme is likely to improve the liquidity position of sugar mills enabling them to make timely payment of cane price dues of farmers.
(b): Yes, Madam. Export of sugar is likely to increase as benefit of the production subsidy scheme is contingent on the mills achieving at least 80% of their export targets notified under mill-wise Minimum Indicative Export Quota (MIEQ) scheme by the Government.
(c): Evacuation of surplus stocks of sugar through export is likely to improve the price sentiments in the domestic market.
(d): With an opening stock of 90 LMT and the estimated sugar production of 260 LMT, the availability of sugar during the current sugar season 2015-16 would be sufficient to meet the estimated domestic consumption of 260 LMT. Due to sufficient availability of sugar, prices of sugar in domestic market are likely to remain at reasonable level.
(e): The Government has provided incentive for marketing and promotion services of raw sugar production targeted for export during sugar season 2013-14 at an average incentive rate of about Rs. 3100 per MT. The incentive scheme was continued for sugar season 2014-15 at uniform incentive rate of Rs. 4000 per MT. Incentive amounting to Rs. 280 crore has been disbursed under the scheme and as per provisions of the scheme it has been used for payment of cane price dues of farmers.
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